

State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

August 26, 2005

Dennis Engh Utah Clay Technology, Inc. 3985 South 2000 East Salt Lake City, Utah 84124

Subject: Second Notice - Delinquent Permit Fees - Further Mining is Suspended

Dear Mr. Engh:

The Division has not received the annual permit fee payment(s) for the 2005 fiscal year, which were due on or before July 29, 2005 (see R647-2-101.6, R647-3-1-1.7, and R647-4-101.5). Non-payment of permit fees is a violation of the Minerals Regulatory Program and suspends an operator's authorization to conduct exploration or mining operations. **YOUR AUTHORIZATION TO CONDUCT EXPLORATION OR MINING ACTIVITIES IS**SUSPENDED, UNTIL THIS BILLING REQUIREMENT IS RESOLVED. Permit fees are required until the site has been fully released in writing by the Division.

We have enclosed a "Delinquency Notice" billing statement along with this letter. Please return the bottom portion of your billing statement to ensure the payment is posted to the correct account. Operations may resume upon our receipt of the required fees. If you have already sent in your payment, please accept our thanks and disregard this notice.

The Division will allow you until September 9, 2005 to pay the delinquent permit fees before issuing a Notice of Violation for non-payment, which will carry a fine and penalty. Continuing mining activities before the fee is paid will result in a Cessation Order which carries a separate fine and penalty. Please be advised that fines and penalties are assessed for each separate violation.

We hope to avoid taking any enforcement action regarding the fee payments. Please: 1) submit your payment by September 9, 2005; 2) check the box, if the site is fully reclaimed and revegetated, thereby requesting a site inspection to close the file; or 3) contact me immediately at (801) 538-5358 or Joelle Burns at (801) 538-5291.

Sincerely,

Susan M. White

Mining Program Coordinator Minerals Regulatory Program

SMW:jb

Enclosure: Delinquency Notice

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Utah!

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Executive Director

JOHN R. BAZA

Division Director

State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-539-3940 (Fax) 801-538-7223 (TDD)

UTAH CLAY TECHNOLOGY INC 3985 S 2000 E SALT LAKE CITY UT 84124

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Annual Permit Fees (July 2004 thru June 2005)						
PROJECT ID	ACRES	BILLING DATE				
S010052	NA	06/28/2005				
PROJECT STATUS		ANNUAL FEE				
ACTIVE		\$ 150				
	PROJECT ID S010052 PROJECT STATUS	PROJECT ID ACRES S010052 NA PROJECT STATUS				

DUE DATE	AMOUNT DUE
09/09/2005	\$ 150

Please see enclosed instructions for payment.

Please retain this portion for your records. For billing Information call (801) 538-5291

This portion MUST be returned with your payment to ensure proper credit. THANK YOU

ACCOUNT BIL	LED		PROJECT NAME WHITE MOUNTAIN			PROJECT ID	
UTAH CLAY TE	ECHNOLOGY INC					S010052	
DUE DATE	ANNUAL FEE	AMOUNT DUE	FEE NOT ENCLOSED	Change of Address			
09/09/2005 \$ 150 \$ 150			Permittee requests an inspection to close	Contact			
TAX	(ID OR SOCIAL SE	GURITY#	Address				
		GAS AND MIN	E-mail addres	SS			
	BOX 145801	(III I Elviii EE OC	JII 1210	State	Zip		
SAL	T LAKE CITY	UT 84114-58	Phone				

Please make check payable to:
Division of Oil, Gas and Mining